



**GENERAL COUNCIL - 15, 16 AND 17 JULY 2020**

APPOINTMENT OF THE NEXT DIRECTOR-GENERAL - MEETING WITH THE CANDIDATES

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**PRESENTATION TO THE GENERAL COUNCIL OF THE WORLD TRADE ORGANIZATION BY  
DR LIAM FOX**

17 JULY 2020

Your Excellencies, it is such a pleasure to be back in Geneva. As UK Secretary of State for Trade I visited this organisation on 6 occasions and during my ministerial roles I have visited over 100 countries, I suppose that is why I recognize so many faces here.

I feel I must begin today by acknowledging the scale of the challenge the world currently faces in the COVID pandemic, something I hope we will be able to discuss in the Q&A.

What has it taught us? For me, it is that we now live in a world that is, beyond doubt, more interconnected and interdependent than at any time in the past. This has profound implications for the global economy, for health, for security – and of course, for trade. And we are all in this together.

Yet even before the pandemic there were problems in the global trading system. We actually saw trade contract in the final quarter of 2019, before the pandemic struck.

Together these mean that we simply cannot continue as if it is business as usual. In fact, you might characterise it as business unusual. And the task for both international organisations and nation states is to rise to the challenge that it presents.

The WTO is one of the key institutions in that challenge. I believe that this is a great organisation, full of talent, expertise and knowledge. We have been at the heart of the global project of trade liberalisation that has helped take a billion of our fellow human beings out of extreme poverty in just one generation, a tremendous achievement in human history.

But I know from talking to many of you, including in this last week, that there is a widespread feeling that things are not as they should be. Yes, there are technical issues to be overcome but the real problems of the WTO are not technical. Our problem is the lack of political momentum.

There is too little political will to make the compromises needed for the multilateral trading system to evolve and too little vision to make those compromises easier. We must rediscover that political will and find the right language to express our vision about the opportunities that trade can bring to a new generation.

The global public should see the WTO as having an indispensable seat at the top table of multilateral organisations. When people think about the United Nations, or the IMF or the World Bank, they should also think about the WTO.

So it is not where the new DG comes from that matters but the skills and experience, especially the political experience, that they are able to bring to the organisation for the benefit of each every one of our members.

I believe that my 28 years in politics, and my years serving in senior cabinet posts...

...such as trade...

...and representing the UK at the top table on global issues...

...give me the right experience to bring the renewed momentum, commitment and compromise, which will allow us to return this institution to greater global relevance.

### **A RULES BASED SYSTEM**

I have always been a passionate believer in a rules-based international trade system.

Open trade between sovereign nations relies on stable, predictable and dependable rules. These rules help politicians stay honest and resist the protectionist measures which – let's be honest – have advocates in some form in all our systems. If we adhere to, and live up to, these rules they can help to promote political stability and domestic economic progress, development, jobs and growth which is what we all want to see.

And let me say this if I may – if we want those we represent to believe in the concept of free trade then no amount of abstract philosophical discussion here in Geneva will achieve it. Show people jobs, show them prosperity and hope for the next generation, for that is how we will be validated in their eyes.

And I say all of this this because I fear for the rules-based system itself. There is a lack of respect for the implementation of what has already been agreed. When the world came together in London in the aftermath of a World War our predecessors, in a few short months, put together a set of principles that have stood the test of time. Principles to which we must recommit ourselves today – most-favoured-nation, national treatment, transparency of commitments.

As someone who has been in the British House of Commons for 28 years, I fully understand the temptation for politicians to skimp on the commitment to multilateralism. There are always elections to be won and domestic stability to secure. But what we must always remember is what the alternative to a rules-based international system would look like. Only the very strongest would get what they want and the rest of us? We would be left in their wake, with the smallest and most vulnerable at the greatest disadvantage.

Free trade must never mean a free for all.

### **CHALLENGES AHEAD**

Now, one of the first tasks for a new DG will be to deliver a successful 12<sup>th</sup> Ministerial Conference. The contents are, of course, for the members to agree but it is essential that the DG works with members to produce ideas and an agenda that, yes, excites us here at the WTO but is also seen as relevant outside. It must focus on outcomes, not process, helping the real businesses – large, medium, small and micro – upon which real prosperity depends.

So what are some of our specific challenges?

Well, despite remaining gaps, members are perhaps closer than they have been in the past to agreeing new rules to discipline harmful fisheries subsidies, and we must push for an outcome as soon as possible to meet the SDG goal set by Leaders. But, this is not just about fish, but about showing that the WTO can take steps on sustainability more generally – an area where members are rightly bringing forward other ideas, and where the public attach great importance.

I know many members are also keen to make progress on Joint Initiatives on e-commerce, services, MSMEs and investment – these will be an important part of the discussions in the coming months.

And of course agriculture. Subsidies, public stockholding for food security, cotton, and other issues will remain critical. This remains perhaps our most difficult challenge something that I have to say I'm well very aware of, from hours we spent discussing this in trade ministerial meetings. Anyone who doesn't understand what this means should not be applying for the job of Director General of the WTO. But it's difficult for a reason, because it is crucial to the livelihoods of so many of our citizens.

Finally, many members understandably want to make progress on critical questions of WTO reform. Again something I hope we can return to in Q&A.

There is a reason why all of this matters. As we emerge from the pandemic, we cannot yet judge what the economic damage will be. But we can bet it will lie somewhere on the spectrum between bad dream and worst nightmare. And we know from experience that the burden could easily fall heaviest on those least able to support it.

And that is why I'm so concerned about the rise in trade restrictive measures taken in recent years which are starting to block up the arteries of global trade – something which, as a medical doctor, I find a very unpleasant analogy.

Last month's WTO report on G20 trade restrictive measures showed that since 2009 the proportion of G20 imports covered by such measures has doubled roughly every two years, rising from only 0.7% in 2009 to an astonishing 10.3% by the end of 2019.

Now, as trade secretary I was a huge supporter of aid for trade and in that time the UK tripled our contribution through Geneva to more than £100 million per year. But what is the point in working harder to assist development when at the same time some of the world's biggest economies are increasing their barriers to trade. We all need to practice what we preach and I would not hesitate to give that message to G20 leaders. Our outcomes have to match our rhetoric.

### **WOMEN AND TRADE**

Let me turn, if I may, to one of the other main issues being discussed in the current DG selection process, that of gender. I recognize the importance of this debate. Let me just make two points.

First, I believe that the role of women in trade is of profound importance, and we need to ensure that all women can have access to the opportunities that trade brings. I am proud to say that during my time as Trade Secretary, the UK significantly scaled up funding to the ITC's SheTrades initiative, supporting women-owned businesses including MSMEs to access the benefits of trade in developing countries.

Second, I think it is fundamentally wrong that trade departments and institutions around the world are – to a large extent – still male-dominated, and I believe this needs to change. When I was asked by former Prime Minister Theresa May to set up, from scratch, the U.K.'s Department for International Trade I was proud to appoint a woman as Permanent Secretary, and I am proud of the representation of women in the department generally under my watch. I commit to you today that if you give me the honour of becoming the next DG then I will ensure that at least half of the WTO's most senior leadership team are women.

I believe that the empowerment of women, including through trade, is a fundamental economic and development objective – just as fundamental as access to education or political expression. I also believe that in support of that goal we should send out an unequivocal message about the powerful and equal role of women in trade right here, in the WTO.

### **CONCLUSION**

I began by talking about how COVID has shown us how interconnected and interdependent we have become. Let me close by sharing something that I learned in my time at the most senior levels in politics including as both defence and trade secretary.

It is this: trade is not an end in itself. It is a means to an end. It is a means by which we create and share prosperity. That prosperity underpins social cohesion and that social cohesion in turn underpins political stability. That political stability is the bedrock of our collective security.

And I say this because we must understand protectionism does not come without a price tag. If we deny people access to prosperity and opportunity through trade then we should not be surprised if the outcomes, whether mass migration, political radicalisation or failing states, come back to bite us.

As an organisation we all need to recapture that optimism that comes from committing to shared values. Yes, we've taken a billion people out of extreme poverty but that cannot remotely be the end of our ambitions.

We need the political momentum to take us forward. It is only with vision, and shared purpose, that we can find the compromises required to meet the challenges I've set out...

...reversing the rise in trade restrictive measures...

...recommitting ourselves to the founding principles to which we have all agreed...

...while updating and strengthening this institution so it's fit to tackle the challenges of the 21<sup>st</sup> Century.

I believe I have the skills and experience to deliver that political momentum.

One of my political heroes, Winston Churchill said in 1953 that we stand, 'at this hour...before the portals of supreme catastrophe and of measureless reward'. Perhaps, just perhaps, this is such a moment for the WTO with the choices we face.

Thank you for doing me the great honour of allowing me to be part of one of those choices.

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